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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 27, 2015

Janice Jones
Gem Mine #1, LLC
600 17th St., Suite 2800 South
Denver, Colorado 80202

Subject: Approval of Notice of Intention to Commence Large Mining Operations (NOI) and Reclamation Surety, Gem Mine #1 LLC, Gem Mine #1 Mine, M/053/0080, Washington County, Utah

Dear Dr. Jones:

The Division of Oil, Gas and Mining (Division) approves the Notice of Intention to Commence Large Mining Operations (Notice) and the reclamation surety for the Gem Mine #1 mine. The Division now permits you to begin mining operations as outlined in the Notice. The permitted disturbed area is 13.3 acres. A copy of the executed surety documents will be forwarded to the BLM state and field office for their records. The surety will be reviewed periodically to assure that the bond remains adequate.

Please be advised that you must also acquire approval from the Bureau of Land Management, before beginning mining operations on federally managed land and/or minerals. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Enclosed are copies of the signed and executed Reclamation Contract and surety bond forms for your files. Also enclosed is a copy of the approved Notice. Please keep the Notice current by submitting changes using Form MR-REV-att, which is available on the internet at www.ogm.utah.gov.

All future correspondence should reference M/053/0080. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

Dana Dean, P. E.
Associate Director of Mining

PBB: lk: eb

Enclosures: Approved Notice and Reclamation Contract

cc: Rody Cox, BLM St. George Field Office (r8cox@blm.gov) w/copy of Reclamation Contract
Opie Abeyta, BLM State Office (oabeyta@blm.gov) w/copy of Reclamation Contract
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